



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Monthly Budget Report for January 2023/24



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GLOSSARY

Adjustment's budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Approved budget - means an annual budget—

- a) approved by a municipal council; or
- b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include the Tariff Policy, Property Rates Policy, Customer Care, Credit Control and Debt Collection Policy etc.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – summarizes the amount of cash and cash equivalents entering and leaving the municipality. The cash flow statement measures how well the municipality manages its cash position. It should be noted that there could be a difference between the timing of the actual cash flow compared to the recognition of expenditure. For example, when an invoice is received by the Municipality it is recognised as expenditure in the month it is dated, even though it may not be paid within the same month.

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - Local Government: Municipal Finance Management Act (56/2003). The principal piece of legislation relating to municipal financial management. From here on to be referred to as the Act.

MTREF - Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two outer year budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure - Spending on the day-to-day expenses of the Municipality such as salaries and wages. It provides a short-term benefit, normally less than a year.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - in relation to a municipality, means any expenditure

incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
Unauthorised expenditure refers to expenditure that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

LEGISLATIVE FRAMEWORK

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- and The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

Report of the Executive Mayor

In -Year Report – Monthly Budget Statement

The monthly budget statement for January 2024, has been prepared in terms of the Municipal Budget and Reporting Regulations (2009) and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of the Service Delivery Budget Implementation Plan (SDBIP). Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.
- b) Financial problems or risks facing the municipality are numerous.

Cash flow has and will for the foreseeable future be a problem. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related cost and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been approved and will be implemented to mitigate risk.

Executive Mayor

Recommendations

That the Executive Mayor takes cognisance of the monthly budget statement for January 2024.

SECTION 1 – EXECUTIVE SUMMARY

1.1 INTRODUCTION

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a monthly report in a prescribed format to the mayor, within 10 working days after the end of each month, on the implementation of the Municipality's budget. The format and contents of the monthly budget report comply with the requirements as set out within the Municipal Budget and Reporting Regulations of 2009.

The report will be made available to the public on the municipal website at www.kannaland.gov.za

1.2 CONSOLIDATED PERFORMANCE

The performance against the budget can be summarized as follow:

Amount in Rands	Original Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 226 346	R 138 234	R 18 524	R 129 625	R (8 609)	-6%
Operating Expenditure	R 241 455	R 140 865	R10 700	R 138 514	R (2 351)	-2%
Capital	R 13 743	R 8 017	R0	R 7 295	R (721)	-9%

Operational Revenue

The municipality's total operational revenue budget amounts to R226 million and the year-to-date revenue on the budget accrued to R 129 million. This represents 57% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R241 million, with a year-to-date performance of R138 million, or 57% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R14 million with a year-to-date performance of R 7 million, or 53% of the total capital budget.

Operating Surplus/Deficit

Operating revenue amounted to R18 million, with expenditure amounting to R10 million, with an operating surplus of R 8 million for the month under review.

1.3 MATERIAL DIFFERENCES TO THE SDBIP

Material differences to the SDBIP will be discussed under section 10 and in more detail within Appendix C.

1.4 REMEDIAL ACTIONS

- (a) Directorates are to ensure that the budget is being implemented in accordance with the Service Delivery and Budget Implementation Plan of the Municipality;
- (b) That, strategic decisions / resolutions to improve the capital expenditure, be implemented; communicating with the technical department on slow spending on capital budget;
- (c) That monthly monitoring of the implementation of the Budget Funding Plan;
- (d) That measures on debt collection are implemented and applied effectively;
- (e) A procurement plan be developed and approved as a matter of urgency;
- (f) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an always changing environment.

SECTION 2 – IN-YEAR BUDGET STATEMENT TABLES

2.1 TABLE C1 – MONTHLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M07 January									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	25 562	26 915	26 915	2 294	16 481	15 700	781	5%	26 915
Service charges	101 947	117 388	117 388	9 878	66 683	68 476	(1 793)	-3%	117 388
Investment revenue	1 845	960	960	240	1 061	560	501	90%	960
Transfers and subsidies - Operational	41 576	64 252	64 252	630	30 687	43 679	(12 992)	-30%	64 252
Other own revenue	12 828	16 831	16 831	5 482	14 712	9 818	4 894	50%	16 831
Total Revenue (excluding capital transfers and contributions)	183 758	226 346	226 346	18 524	129 625	138 234	(8 609)	-6%	226 346
Employee costs	80 917	79 933	79 813	7 948	56 538	46 557	9 981	21%	79 813
Remuneration of Councillors	3 273	3 276	3 276	308	2 350	1 911	439	23%	3 276
Depreciation and amortisation	13 957	11 762	11 762	980	6 861	6 861	(0)	-0%	11 762
Interest	6 069	8 000	8 000	1	497	4 667	(4 170)	-89%	8 000
Inventory consumed and bulk purchases	58 220	64 991	64 726	424	45 374	37 757	7 617	20%	64 726
Transfers and subsidies	255	920	920	-	123	537	(413)	-77%	920
Other expenditure	63 504	72 573	72 958	1 041	26 771	42 575	(15 804)	-37%	72 958
Total Expenditure	226 195	241 455	241 455	10 700	138 514	140 865	(2 351)	-2%	241 455
Surplus/(Deficit)	(42 437)	(15 109)	(15 109)	7 824	(8 888)	(2 631)	(6 258)	238%	(15 109)
Transfers and subsidies - capital (monetary allocations)	8 426	15 804	15 804	-	7 183	11 853	(4 670)	-39%	15 804
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(34 011)	695	695	7 824	(1 706)	9 223	(10 928)	-118%	695
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(34 011)	695	695	7 824	(1 706)	9 223	(10 928)	-118%	695
Capital expenditure & funds sources									
Capital expenditure	3 047	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Capital transfers recognised	17 429	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(21 435)	-	-	-	-	-	-	-	-
Total sources of capital funds	(4 007)	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Financial position									
Total current assets	(11 559)	(23 714)	(23 449)		(34 030)				(23 449)
Total non current assets	318 961	1 981	1 981		318 092				1 981
Total current liabilities	70 651	(22 971)	(22 706)		86 596				(22 706)
Total non current liabilities	31 470	-	-		30 889				-
Community wealth/Equity	173 649	2 867	2 867		168 283				2 867
Cash flows									
Net cash from (used) operating	75 736	5 823	5 823	2 397	32 730	9 288	(23 442)	-252%	213 520
Net cash from (used) investing	(8 808)	(13 258)	(13 258)	-	(6 382)	7 734	14 116	183%	13 258
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	104 970	(7 435)	(7 435)	-	62 993	17 022	(45 971)	-270%	263 423
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 371	3 182	2 587	2 402	2 569	2 110	11 974	92 226	125 421
Creditors Age Analysis									
Total Creditors	(1 698)	644	185	211	367	144	2 892	32 423	35 168

2.2 TABLE C2 – MONTHLY BUDGETED FINANCIAL PERFORMANCE (Functional Classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		68 359	50 659	50 659	7 393	53 169	32 961	20 208	61%	50 659
Executive and council		33 573	12 961	12 961	–	26 552	9 749	16 803	172%	12 961
Finance and administration		34 786	37 698	37 698	7 393	26 617	23 212	3 405	15%	37 698
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		11 776	36 120	36 120	357	9 694	21 673	(11 979)	-55%	36 120
Community and social services		11 666	15 750	15 750	340	9 677	11 488	(1 811)	-16%	15 750
Sport and recreation		0	–	–	17	17	–	–	–	–
Public safety		110	–	–	–	(0)	–	(0)	–	–
Housing		–	20 370	20 370	–	–	10 185	(10 185)	-100%	20 370
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 239	4 604	4 604	171	1 403	2 922	(1 519)	-52%	4 604
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		2 239	4 604	4 604	171	1 403	2 922	(1 519)	-52%	4 604
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		109 810	150 767	150 767	9 924	71 863	92 531	(20 667)	-22%	150 767
Energy sources		65 268	81 032	81 032	5 858	43 010	48 090	(5 081)	-11%	81 032
Water management		23 004	37 355	37 355	2 525	15 212	23 915	(8 703)	-36%	37 355
Waste water management		10 774	16 612	16 612	800	6 912	10 580	(3 669)	-35%	16 612
Waste management		10 764	15 769	15 769	741	6 729	9 945	(3 215)	-32%	15 769
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	192 184	242 150	242 150	17 845	136 129	150 087	(13 958)	-9%	242 150
Expenditure - Functional										
<i>Governance and administration</i>		79 185	86 605	86 605	5 638	43 364	50 511	(7 147)	-14%	86 605
Executive and council		21 671	24 748	24 748	1 599	13 133	14 436	(1 303)	-9%	24 748
Finance and administration		57 515	61 858	61 858	4 040	30 231	36 075	(5 844)	-16%	61 858
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		15 746	31 175	31 175	848	7 335	18 211	(10 876)	-60%	31 175
Community and social services		10 203	8 894	8 894	583	5 217	5 213	3	0%	8 894
Sport and recreation		1 096	532	532	65	517	310	206	66%	532
Public safety		1 342	280	280	111	897	163	734	450%	280
Housing		3 105	21 469	21 469	89	705	12 524	(11 818)	-94%	21 469
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		16 130	17 691	17 691	1 347	8 443	10 320	(1 877)	-18%	17 691
Planning and development		5	–	–	–	–	–	–	–	–
Road transport		16 125	17 691	17 691	1 347	8 443	10 320	(1 877)	-18%	17 691
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		115 134	105 983	105 983	2 605	79 110	61 823	17 287	28%	105 983
Energy sources		64 317	70 336	70 336	575	47 125	41 030	6 095	15%	70 336
Water management		24 204	14 006	14 006	763	16 382	8 170	8 212	101%	14 006
Waste water management		14 599	10 984	10 984	398	7 127	6 407	720	11%	10 984
Waste management		12 014	10 657	10 657	869	8 476	6 216	2 259	36%	10 657
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	226 195	241 455	241 455	10 439	138 252	140 865	(2 613)	-2%	241 455
Surplus/ (Deficit) for the year		(34 011)	695	695	7 406	(2 123)	9 223	(11 346)	-123%	695

2.3 TABLE C3 – MONTHLY BUDGETED FINANCIAL PERFORMANCE (Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		33 573	12 961	12 961	–	26 552	9 749	16 803	172,4%	12 961
Vote 2 - CORPORATE SERVICES		13 175	41 883	41 883	391	10 236	24 831	(14 596)	-58,8%	41 883
Vote 3 - FINANCIAL SERVICES		33 986	34 750	34 750	7 370	26 264	21 493	4 771	22,2%	34 750
Vote 4 - TECHNICAL SERVICES		111 450	152 556	152 556	10 084	73 078	94 014	(20 936)	-22,3%	152 556
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	192 184	242 150	242 150	17 845	136 129	150 087	(13 958)	-9,3%	242 150
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		21 671	24 748	24 748	1 599	13 133	14 436	(1 303)	-9,0%	24 748
Vote 2 - CORPORATE SERVICES		37 646	55 025	55 025	3 497	22 743	32 098	(9 355)	-29,1%	55 025
Vote 3 - FINANCIAL SERVICES		38 564	38 044	38 044	1 640	15 675	22 184	(6 509)	-29,3%	38 044
Vote 4 - TECHNICAL SERVICES		126 933	121 333	121 333	3 529	85 970	70 803	15 167	21,4%	121 333
Vote 5 - CALITZDORP SPA		–	–	–	–	–	–	–	–	–
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	174	731	1 345	(614)	-45,7%	2 305
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	226 195	241 455	241 455	10 439	138 252	140 865	(2 613)	-1,9%	241 455
Surplus/ (Deficit) for the year	2	(34 011)	695	695	7 406	(2 123)	9 223	(11 346)	-123,0%	695

2.4 TABLE C4 – MONTHLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue		112 995	127 346	127 346	10 318	74 358	74 285	73	0%	127 346
Service charges - Electricity		64 073	76 101	76 101	5 852	42 883	44 392	(1 510)	-3%	76 101
Service charges - Water		20 258	22 267	22 267	2 503	13 047	12 989	58	0%	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	763	5 404	5 606	(202)	-4%	9 610
Service charges - Waste management		8 910	9 410	9 410	741	5 331	5 489	(158)	-3%	9 410
Sale of Goods and Rendering of Services		428	396	396	33	305	231	74	32%	396
Agency services		1 215	1 350	1 350	102	827	788	39	5%	1 350
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		6 176	5 929	5 929	6	4 608	3 458	1 150	33%	5 929
Interest earned from Current and Non Current Assets		1 845	960	960	240	1 061	560	501	90%	960
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		611	1 098	1 098	51	387	640	(253)	-40%	1 098
Licence and permits		171	159	159	7	103	93	11	11%	159
Operational Revenue		602	66	66	20	402	39	363	941%	66
Non-Exchange Revenue		70 762	99 000	99 000	7 527	54 589	63 949	(9 360)	-15%	99 000
Property rates		25 562	26 915	26 915	2 294	16 481	15 700	781	5%	26 915
Surcharges and Taxes		—	—	0	4 530	5 113	—	5 113	—	0
Fines, penalties and forfeits		395	2 501	2 501	14	142	1 459	(1 317)	-90%	2 501
Licence and permits		0	30	30	—	0	18	(17)	-100%	30
Transfer and subsidies - Operational		41 576	64 252	64 252	630	30 687	43 679	(12 992)	-30%	64 252
Interest		2 561	2 802	2 802	0	1 741	1 634	107	7%	2 802
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		667	—	—	59	424	—	424	—	—
Gains on disposal of Assets		—	2 500	2 500	—	—	1 458	(1 458)	-100%	2 500
Other Gains		—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		183 758	226 346	226 346	17 845	128 946	138 234	(9 288)	-7%	226 346
Expenditure By Type										
Employee related costs		80 917	79 933	79 813	7 948	56 538	46 557	9 981	21%	79 813
Remuneration of councillors		3 273	3 276	3 276	308	2 350	1 911	439	23%	3 276
Bulk purchases - electricity		55 313	56 045	56 045	—	42 635	32 693	9 942	30%	56 045
Inventory consumed		2 907	8 946	8 681	261	2 576	5 064	(2 488)	-49%	8 681
Debt impairment		29 561	16 691	16 691	—	—	9 736	(9 736)	-100%	16 691
Depreciation and amortisation		13 957	11 762	11 762	980	6 861	6 861	(0)	0%	11 762
Interest		6 069	8 000	8 000	1	497	4 667	(4 170)	-89%	8 000
Contracted services		19 896	33 727	34 047	281	3 491	19 852	(16 361)	-82%	34 047
Transfers and subsidies		255	920	920	—	123	537	(413)	-77%	920
Irrecoverable debts written off		46	—	—	—	16 765	—	16 765	—	—
Operational costs		13 743	22 156	22 221	660	6 416	12 987	(6 571)	-51%	22 221
Losses on Disposal of Assets		(609)	—	—	—	—	—	—	—	—
Other Losses		866	—	—	—	—	—	—	—	—
Total Expenditure		226 195	241 455	241 455	10 439	138 252	140 865	(2 613)	-2%	241 455
Surplus/(Deficit)		(42 437)	(15 109)	(15 109)	7 406	(9 306)	(2 631)	(6 675)	0	(15 109)
Transfers and subsidies - capital (monetary allocations)		8 426	15 804	15 804	—	7 183	11 853	(4 670)	(0)	15 804
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(34 011)	695	695	7 406	(2 123)	9 223			695
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		(34 011)	695	695	7 406	(2 123)	9 223			695
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		(34 011)	695	695	7 406	(2 123)	9 223			695
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		(34 011)	695	695	7 406	(2 123)	9 223			695

Due to the cyclical nature of the economy and the current straight-line approach to budgeting, all deviations in excess of 5% will be treated as material unless otherwise stated. Material deviations will be explained, and recommendations will be made if the extent and nature of the deviation may necessitate action.

It should be noted that the straight-line budget approach will be addressed and adjusted to reflect the cyclical nature of the economy as soon as possible. It should be noted that grants to be received, are accounted for correctly. A costly seamlessly integrated financial accounting system, as required in terms of mSCOA, will take time to implement due to financial constraints.

2.5 OPERATING REVENUE BY SOURCES:

The performance against the revenue budget can be explained as follow:

- **Sale of goods and Rendering of Services** – amounts to 50 thousand for **January 2024** and represents 13% of the original budget. The deviation from the year-to-date budget amounts to **40%**. This is higher due to the number of building plans approved which include the new shopping centre being constructed on Van Riebeeck Street in Ladismith.
- **Agency Services** – amounted to 102 thousand for **January 2024** which represents a **7%** variance from the YTD figures. This can be attributed to the more fines being collected.
- **Interest Earned on Investments** – (**90%** deviation from the year-to-date budget). The budget did not take into account the timing of the grants to be received (interest on call account - cash backed grants) when the monthly budget split was done. It can also be attributed to an under-budgeted position. The Municipality also collected more revenue which attract more interest.
- **Interest on outstanding debtors** – (**46%** deviation from the year-to-date budget). The Municipality has delayed the write-offs of prescribed debt, it also has not written off the outstanding debt of indigent households. Due to these reasons the total debtor's debt attracting interest in significantly higher.
- **Rental from fixed Assets** – amounted to 51 thousand and a deviation of **-40%**. The Municipality collected significantly less rent YTD than budgeted. The Municipality has not implemented all rental contracted with market-related rental amounts. This process is to be finalized during the next quarter or as and when existing contracts expire.
- **Licence and permits** - (**16%** deviation from the year-to-date budget). Amounted to 12 thousand. This is due to an increase in the number of learner license applications.
- **Property Rates** – amounted to **R2.3 million** in **January 2024** which represents a 5% variance from the YTD figures. This is a result of property owners making annual payments. This will be in line with the budget at year-end.
- **Fines, Penalties & Forfeits** – Almost no activity, with a **-90%** deviation, with no vendor appointed to provide cameras and administrative support on speed fines. The Municipality is currently reviewing the fines process and it has not been able to utilize this service effectively. An audit must be conducted to determine how much the service is unprofitable when it has the potential of generating much higher revenue. Cost containment measures must be considered if this does not improve.
- **Transfers and Subsidies** – amounted to 630 thousand for the month of January. The under-performance can be attributed due to non-recognition of grants received.
- **Other Revenue Deviations** - Can be explained as incidental and cyclical in nature.

2.6 OPERATING EXPENDITURE BY TYPE

- **Employee Related Costs** – The employee related costs amounted to **R7.9 million for January 2024**, exceeding the YTD budget with 21%. It can be attributed to the number of temporary workers employed that was not in line with the budget and organogram. Management has realigned the need for additional workers to be in line with the budget by utilising savings through unfilled vacancies. It is expected for this to stay within the budget by year-end.
- **Remuneration of Councillors**- The total remuneration for Councillors amounted to **R308 thousand in January 2024**, exceeding the year-to-date budget with 23%. This will be corrected in February 2024.
- **Bulk Purchases Electricity** – (30% deviation from the year-to-date budget). The Eskom bulk accounts has not been reconciled, there is also misallocation as interest charges is not separated from the bulk electricity expense. The expenses are processed inclusive of VAT, this is overstating the expenditure.
- **Inventory Consumed** – The total was **R 424 thousand**, this includes direct purchases for the store and inventory issued out for the reporting period.
- **Interest** – The total amounted to **1 thousand** for the month of **January 2024**. This is due to the incorrect allocations of interest charged on the Eskom accounts which was recorded under bulk purchases. This will be corrected.
- **Contracted Services** – amounted to **R 324 thousand in January 2024**. The expenditure is expected to pick up in the next reporting periods. This can be attributed to misallocations that will be investigated and corrected where applicable.
- **Transfers and subsidies** – (-77% deviation from the year-to-date budget). The Municipality has not paid us subsidies yet; this will be concluded in the next quarter. The Municipality makes quarterly transfers as and when the institutions submit the relevant documentation.
- **Other Expenditure** - amounted to **R716 thousand in January 2024**.

Most expenditure items were less than forecasted and this is due to the lack of recognition of expenditure once incurred, in addition to cash flow issues that results in the municipality only spending in terms of available revenue. The Municipality is still busy implementing expenditure on the accrual basis, expenses has been recognized when paid. This process will be corrected in the next view months.

2.7 TABLE C5 – MONTHLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-		-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		(0)	7 294	7 294	-	6 387	4 255	2 133	50%	7 294
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	(0)	7 294	7 294	-	6 387	4 255	2 133	50%	7 294
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		0	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		(21 238)	-	-	-	-	-	-		-
Vote 3 - FINANCIAL SERVICES		6 856	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		17 429	6 449	6 449	-	908	3 762	(2 854)	-76%	6 449
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	3 047	6 449	6 449	-	908	3 762	(2 854)	-76%	6 449
Total Capital Expenditure	3	3 047	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Capital Expenditure - Functional Classification										
Governance and administration		6 856	-	-	-	-	-	-		-
Executive and council		0	-	-	-	-	-	-		-
Finance and administration		6 856	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		(21 238)	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		(21 238)	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		17 429	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Energy sources		873	485	485	-	1 171	283	889	314%	485
Water management		(676)	6 449	6 449	-	908	3 762	(2 854)	-76%	6 449
Waste water management		17 231	6 809	6 809	-	5 216	3 972	1 244	31%	6 809
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	3 047	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Funded by:										
National Government		17 231	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Provincial Government		197	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		17 429	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		(21 435)	-	-	-	-	-	-		-
Total Capital Funding	7	(4 007)	13 743	13 743	-	7 295	8 017	(721)	-9%	13 743

CAPITAL EXPENDITURE

- There was no capital expenditure for the month under review.

2.8 TABLE C6 – MONTHLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M07 January						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		20 729	(14 630)	(14 630)	13 542	(14 630)
Trade and other receivables from exchange transactions		4 505	(9 478)	(9 478)	(13 067)	(9 478)
Receivables from non-exchange transactions		(323)	(1 128)	(1 128)	15	(1 128)
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 400	(8 946)	(8 681)	2 342	(8 681)
VAT		(37 806)	10 468	10 468	(30 657)	10 468
Other current assets		(1 063)	-	-	(1 168)	-
Total current assets		(11 559)	(23 714)	(23 449)	(28 994)	(23 449)
Non current assets						
Investments		-	-	-	-	-
Investment property		1 116	-	-	1 116	-
Property, plant and equipment		317 836	1 981	1 981	316 966	1 981
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		9	-	-	9	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		318 961	1 981	1 981	318 092	1 981
TOTAL ASSETS		307 403	(21 733)	(21 468)	289 098	(21 468)
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 364	-	-	1 423	-
Trade and other payables from exchange transactions		88 168	(19 856)	(19 591)	95 259	(19 591)
Trade and other payables from non-exchange transactions		13 792	-	-	19 975	-
Provision		7 477	-	-	8 491	-
VAT		(40 151)	(3 115)	(3 115)	(33 098)	(3 115)
Other current liabilities		-	-	-	-	-
Total current liabilities		70 651	(22 971)	(22 706)	92 049	(22 706)
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		20 653	-	-	19 349	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		10 817	-	-	11 540	-
Total non current liabilities		31 470	-	-	30 889	-
TOTAL LIABILITIES		102 121	(22 971)	(22 706)	122 938	(22 706)
NET ASSETS	2	205 282	1 238	1 238	166 160	1 238
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		173 188	2 867	2 867	167 821	2 867
Reserves and funds		462	-	-	462	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	173 649	2 867	2 867	168 283	2 867

2.9 TABLE C7 – MONTHLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M07 January										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		4 921	22 305	22 305	1 258	9 836	13 011	(3 175)	-24%	22 305
Service charges		73 390	120 923	120 923	4 301	45 142	70 538	(25 396)	-36%	120 923
Other revenue		2 794	9 067	9 067	4 899	12 150	5 289	6 861	130%	9 067
Transfers and Subsidies - Operational		43 410	64 252	64 252	–	32 807	43 371	(10 564)	-24%	64 252
Transfers and Subsidies - Capital		13 170	15 804	15 804	–	11 174	9 219	1 955	21%	15 804
Interest		1	50	50	2	3	29	(27)	-91%	50
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(61 949)	(226 578)	(226 578)	(2 388)	(72 706)	(132 170)	(59 464)	45%	(18 881)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 736	5 823	5 823	8 073	38 406	9 288	(29 118)	-313%	213 520
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(8 808)	(13 258)	(13 258)	–	(6 382)	7 734	14 116	183%	13 258
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	(13 258)	–	(6 382)	7 734	14 116	183%	13 258
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		66 928	(7 435)	(7 435)	8 073	32 024	17 022			226 778
Cash/cash equivalents at beginning:		38 042	–	–		36 645	–			36 645
Cash/cash equivalents at month/year end:		104 970	(7 435)	(7 435)		68 669	17 022			263 423

The total bank balance ending of **January 2024** were as follow;

- Standard Bank Main Account is **R 2.5 million**;
- The Traffic Account has **R 314 thousand**;
- Deposit Account has **R 487 thousand**; and
- Call Account has **R 25 million**.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current national economic situation in addition having an adverse effect on an already difficult situation.

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January													
Description	NT Code	Budget Year 2023/24											
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	3 363	953	587	592	483	411	3 149	17 549	27 088	22 185	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 277	248	181	113	91	74	345	706	5 034	1 329	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 571	761	661	564	848	496	2 614	21 069	29 583	25 590	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	740	344	337	334	334	333	1 658	10 958	15 039	13 617	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 431	587	556	535	527	521	2 544	15 934	22 635	20 061	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	0	58	70	88	116	114	986	22 752	24 184	24 056	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(3 011)	231	195	176	170	162	677	3 257	1 857	4 442	-	-
Total By Income Source	2000	8 371	3 182	2 587	2 402	2 569	2 110	11 974	92 226	125 421	111 280	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(1 168)	200	109	39	88	3	9	91	(629)	230	-	-
Commercial	2300	433	173	200	149	259	126	665	3 295	5 301	4 495	-	-
Households	2400	9 264	2 650	2 143	2 083	2 053	1 860	10 599	78 573	109 224	95 167	-	-
Other	2500	(158)	159	136	131	169	121	701	10 267	11 525	11 388	-	-
Total By Customer Group	2600	8 371	3 182	2 587	2 402	2 569	2 110	11 974	92 226	125 421	111 280	-	-

The total amount owed to Kannaland Municipality amounted to **R125 million at the end of January 2024**.

- **R92 million or 74%** of the total outstanding debtors are older than one year.
- **R111 million or 89%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2023/24								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	5 790	–	–	–	–	39 836	–	–	45 626
Bulk Water	0200	60	46	–	–	–	–	–	–	106
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	382	798	167	147	3 907	–	–	–	5 402
Auditor General	0800	983	195	85	84	8 034	–	–	–	9 381
Other	0900	182	748	708	344	16 538	–	–	–	18 520
Total By Customer Type	1000	7 397	1 788	960	575	28 479	39 836	–	–	79 035

- The total outstanding creditors as at the end of January 2024 amounts to **R 79 035 million**.

The old debt, +90days, consist mainly of the following:

- ESKOM = R39 836 million, of which the entire amount is conditionally written off. The other R39 million is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R17 879 million and further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R2.9 million.
- All other creditors 0-90 days are managed on a month-to-month payment plan, for finalisation in the 2023-2024 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

- The municipality has no long-term debt obligations and any investments other than call account investments.

3.5 GRANT RECEIPTS AND EXPENDITURE

Transfers and Grant Receipts 2023/ 2024						
	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	Rejected Rollover Repayment
National Government Grants						
Financial Management Grant (FMG)	R2 932 000,00		R2 932 000,00	R1 094 197,81	R1 837 802,19	
Equitable Share	R35 348 000,00		R26 511 000,00	R26 511 000,00		
Municipal Infrastructure Grant (Operational)	568 650,00		R568 650,00	R331 712,46	R236 937,54	
Municipal Infrastructure Grant (Capital)	R10 804 350,00		R10 105 350,00	R6 947 807,82	R3 157 542,18	R958 939,65
Water Service Infrastructure Grant	R5 000 000,00		R500 000,00	R234 984,13	R265 015,87	
EPWP Incentive Grant	R1 220 000,00		R854 000,00	R889 317,00	-R35 317,00	
	R55 873 000,00		R41 471 000,00	R36 009 019,22	R5 461 980,78	
Provincial Government	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
Human Settlements	R20 370 000,00		R0,00			
MRF (Municipal Replacement Fund)	R3 555 000,00		R2 370 000,00	R1 797 098,13	R572 901,87	
CDW Grant	R113 000,00		R113 000,00	R53 159,79	R59 840,21	
Departmental Agencies	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
Public Sector Seta	R145 000,00		R49 664,75		R49 664,75	
Total	R24 183 000,00		R2 532 664,75	R1 850 257,92	R682 406,83	
	R80 056 000,00		R44 003 664,75	R37 859 277,14	R6 144 387,61	

The following indicates expenditure on each respective grant received (Operational) and (Capital) for January 2024 -

Expenditure:

- Financial Management Grant amounts to **R 243 thousand**.
- **MIG PMU** amounts to **R47 thousand**.
- Expanded Public Works Programme amounts to **R 131 thousand**.

Provincial Treasury

Expenditure:

- Libraries Grant amounts to **R 227 thousand**.

3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January										
Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 827	2 990	2 990	254	2 014	1 744	270	15%	2 990
Pension and UIF Contributions		36	—	—	16	73	—	73		—
Medical Aid Contributions		67	—	—	10	66	—	66		—
Motor Vehicle Allowance		52	—	—	3	21	—	21		—
Cellphone Allowance		292	286	286	25	175	167	8	5%	286
Housing Allowances		—	—	—	—	—	—	—		—
Other benefits and allowances		—	—	—	—	—	—	—		—
Sub Total - Councillors		3 273	3 276	3 276	308	2 350	1 911	439	23%	3 276
% increase	4		0,1%	0,1%						0,1%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	2 729	4 449	4 449	327	1 680	2 595	(915)	-35%	4 449
Pension and UIF Contributions		5	9	9	1	4	5	(1)	-22%	9
Medical Aid Contributions		—	—	—	—	—	—	—		—
Overtime		—	—	—	—	—	—	—		—
Performance Bonus		—	—	—	—	—	—	—		—
Motor Vehicle Allowance		80	509	509	35	196	297	(101)	-34%	509
Cellphone Allowance		50	113	113	10	50	66	(16)	-24%	113
Housing Allowances		—	—	—	—	—	—	—		—
Other benefits and allowances		98	88	88	0	0	51	(51)	-100%	88
Payments in lieu of leave		—	—	—	—	—	—	—		—
Long service awards		—	—	—	—	—	—	—		—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—		—
Entertainment		—	—	—	—	—	—	—		—
Scarcity		—	—	—	—	—	—	—		—
Acting and post related allowance		—	—	—	—	—	—	—		—
In kind benefits		—	—	—	—	—	—	—		—
Sub Total - Senior Managers of Municipality		2 963	5 167	5 167	374	1 930	3 014	(1 084)	-36%	5 167
% increase	4		74,4%	74,4%						74,4%
Other Municipal Staff										
Basic Salaries and Wages		52 231	52 793	52 793	5 019	35 730	30 796	4 934	16%	52 793
Pension and UIF Contributions		7 132	8 568	8 568	639	4 522	4 998	(476)	-10%	8 568
Medical Aid Contributions		2 168	1 687	1 687	216	1 379	984	395	40%	1 687
Overtime		6 568	4 876	4 876	1 032	4 882	2 844	2 038	72%	4 876
Performance Bonus		1 975	752	752	—	761	439	322	74%	752
Motor Vehicle Allowance		2 790	2 359	2 359	310	2 101	1 376	725	53%	2 359
Cellphone Allowance		127	100	100	8	70	58	11	19%	100
Housing Allowances		337	173	173	29	203	101	103	102%	173
Other benefits and allowances		6 515	2 851	2 731	322	4 702	1 593	3 109	195%	2 731
Payments in lieu of leave		(1 166)	150	150	—	257	88	169	194%	150
Long service awards		—	—	—	—	—	—	—		—
Post-retirement benefit obligations	2	(723)	—	—	—	—	—	—		—
Entertainment		—	—	—	—	—	—	—		—
Scarcity		—	—	—	—	—	—	—		—
Acting and post related allowance		—	—	—	—	—	—	—		—
In kind benefits		—	—	—	—	—	—	—		—
Sub Total - Other Municipal Staff		77 954	74 309	74 189	7 574	54 608	43 277	11 331	26%	74 189
% increase	4		-4,7%	-4,8%						-4,8%
Total Parent Municipality		84 190	82 752	82 632	8 255	58 887	48 202	10 686	22%	82 632
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—		—
Pension and UIF Contributions		—	—	—	—	—	—	—		—
Medical Aid Contributions		—	457	457	—	—	266	(266)	-100%	457
Overtime		—	—	—	—	—	—	—		—
Performance Bonus		—	—	—	—	—	—	—		—
Motor Vehicle Allowance		—	—	—	—	—	—	—		—
Cellphone Allowance		—	—	—	—	—	—	—		—
Housing Allowances		—	—	—	—	—	—	—		—
Other benefits and allowances		—	—	—	0	0	—	0		—
Board Fees	5	—	—	—	—	—	—	—		—
Payments in lieu of leave		—	—	—	—	—	—	—		—
Long service awards		—	—	—	—	—	—	—		—
Post-retirement benefit obligations		—	—	—	—	—	—	—		—
Entertainment		—	—	—	—	—	—	—		—
Scarcity		—	—	—	—	—	—	—		—
Acting and post related allowance		—	—	—	—	—	—	—		—
In kind benefits		—	—	—	—	—	—	—		—
Sub Total - Executive members Board	2	—	457	457	0	0	266	(266)	-100%	457
% increase	4		0,0%	0,0%						0,0%
Total Municipal Entities		—	457	457	0	0	266	(266)	-100%	457
TOTAL SALARY, ALLOWANCES & BENEFITS		84 190	83 209	83 089	8 255	58 888	48 468	10 420	21%	83 089
% increase	4		-1,2%	-1,3%						-1,3%
TOTAL MANAGERS AND STAFF		80 917	79 476	79 356	7 948	56 538	46 291	10 247	22%	79 356

Section 12 – Implementation of the budget funding plan

The implementation of the funding plan is taking place on monthly basis and will be reported on a monthly basis for any material issues that may arise and that will need attention.



Budget Funding Implementation Schedule

14-Feb-24	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action
Improved Monthly Collection Rate	Meter verification, TID & data collection project	Start processes for meter verification, TID & data collection project - Specs for tender	Target Missed	01-Feb-24		The tender was advertised, only one application was received. The tender expired and will be re-advertised. This process will commence shortly. The Municipality will re-assess the process and attempt to re-advertise the tender.
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Not Due	01-Apr-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Not Due	01-Jun-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Not Due	01-Sep-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Not Due	01-Oct-24		The tender was not awarded, it will be re-advertised.
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Target Missed	31-Jan-24		The Municipality is currently busy with an intensive debt collection drive. The focus is on the top 50 debtors. Numerous communication has been circulated with some success. A further drive will ensue and none paying debtors will be handed over. The Municipality advertised a tender for legal and professional services. None of the bidders were able to assist with Debt Collection. The Municipality opted to re-advertise. The Municipality is in the process of enlisting the services of a debt collection agency and all overdue debtors will be handed-over systematically.
	Bulk SMS's - Credit Control / Check with SAMRAS credit control module	SMS's can be done internally (part of FMG support Plan)	Achieved	31-Aug-23	31-Aug-23	The Municipality managed to procure bulk messages and it forms part of the debt collection process. The Municipality appointed an Accountant Debt Collection to ensure a dedicated focus on overdue accounts.
	SAMRAS - Credit Control Module activate and support	Dependent availability of SAMRAS (part of FMG support Plan)	Achieved	30-Sep-23	01-Nov-23	The Municipality opted to appoint an Accountant responsible for Debt Collection. The Credit Control Module implementation will be investigated and detailed recommendations will be considered.
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Achieved	01-Aug-23	01-Oct-23	The Municipality are making use of the services of a Seconded Technical Director. This will allow management to implement cross departmental actioned. The technical department in conjunction with the meter reading department will ensure all faulty meters are replaced.
	Action against biggest Debtors	Dependent on summons processes (can start with notices to be issued & addressing disputes)	Achieved	31-Aug-23	31-Aug-23	The debt collection team is busy prioritising the highest debtors per month.
	Strengthen internal capacity	Appointment Customer Care Clerk	Achieved	31-Jul-23	31-Aug-23	The Municipality opted to appoint an Accountant responsible for Debt Collection. It also appointed a clerk within the department.
	Strengthen internal capacity	Appointment Accountant - Debtors	Achieved	31-Jul-23	01-Dec-23	The Municipality advertised for this position and is busy with the recruitment process. An appointment will be made once the process has been concluded. The appointment has been made and the candidate will start on 01 December 2023.
	Adding additional pay-points / Indigent registration	VWD - (tools of trade to be issued)	Achieved	31-Jul-23	01-Aug-23	The Municipality are busy exploring the options to increase the pay-points. It was concluded that a possible relief cashier be used on selected days.
	Adding additional pay-points / Indigent registration	Thusong Centre - (tools of trade to be issued)	Not Due	31-Mar-24		The Municipality are busy exploring the options to increase the pay-points. A site visit was conducted and a particular office was identified. The Municipality must identify savings to make the necessary adjustments, safety proof the office.
	Adding additional - Indigent registration (temporarily - Maxi Hall)	Zoar (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.
	Adding additional - Indigent registration (temporarily - Bergsig Library)	Czd (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.
Improved Accuracy in Billing	Reconciliations	Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Achieved	31-Aug-23	31-Oct-23	The valuation roll is being reconciled and all variances reported on monthly. A action plan has been drawn up to address outstanding matters.
	Water & Electricity Meters to be recorded correctly on the system	Uniformity in capturing and data cleansing through verification project - SOP's to be put in place and actual corrections to correlate with verification process	Achieved	31-Oct-23	30-Sep-23	The debtors and metering department is busy with a meter audit. A number of faulty meters has been identified for repairs and replacement. The Municipality has established an operating team consisting of the technical and finance department to perform a detailed analysis throughout the Municipality. The process already started and will be completed by end of January 2024.
	Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Achieved	31-Aug-23	30-Sep-23	An interdepartmental working group will be established and the finance department will be in charge of the data of each meter
	Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Achieved	30-Sep-23	31-Dec-23	Accounts is being emailed to debtors monthly. The council resolved that the CFO can engage outstanding debtors on a payment plan or settlement arrangement.
	Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Achieved	30-Nov-23	31-Dec-23	Bulk meters are being monitored monthly. The Municipality is currently in the processes of going out on tender for the reading of all bulk meters.

Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Missed	31-Aug-23		The Municipality is busy collating the outstanding contracts. The deadline was extended to 31 December 2023 from 31 August 2023. The user department is currently busy with finalising these contracts.
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Target Missed	31-Dec-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Rental Income	Rental income all municipal properties and market related where applicable	Target Missed	31-Jul-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Target Missed	31-Jan-24		The Municipality has rented a traffic camera which is currently in use. The Municipality is currently in the process of auditing the traffic fine system. The progress is not satisfactory and management will review the operations, as the service is under-utilised.
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Target Missed	31-Oct-23		This is currently in process, the position has been advertised, HR is yet to make the appointment
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Missed	30-Sep-23		Due to a lack in leadership the department does not have a clear action plan. The targets must be revised to end of December 2023. It seems unlikely that the projected revenue target for this will be achieved.
Cost Containment Measures	Human Resources	Implement a performance management system for all managers (consequence management + improvement discipline)	Target Missed	31-Oct-23		This is still outstanding, a draft performance plan and contracts have been implemented for directors. The Municipality must enlist the get access to a performance management system to effectively implement a PMS.
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Target Missed	31-Aug-23		The Municipality is busy with budget vs actual workshops for each department. Costs containment measures will be implemented once the directors have a better understanding of their budgets. Various cash flow meetings was held with line managers during November 2023. A budget vs actual workshop was also held, budgeted vacant positions were highlighted for the employment of temporary workers, limited until Feb 2024.
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritised and "need" justified	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Target Missed	31-Jan-24		The Municipality is currently busy with the implementation of controls and the development of a compliant contract register. Various expired contracts will be reviewed to implement cost-containment measures.
Liability Management	Creditors	Compliance with section 65 of the MFMA. Recognition of expenditure when incurred. Sub-system to be used and reconciled	Not Due	29-Feb-24		The Municipality circulated numerous communication with suppliers regarding payment dates, processes and payment terms. As cash flow allow it will attempt to ensure compliance with the section. The Eskom debt relief application has allowed the Municipality to decrease its total liabilities. The final adjustments for the Eskom balance has been received and the Municipality has over R8million credit which will impact the municipalities cash balance positively.
	Budgeting	Weekly cash flow monitoring	Achieved	31-Aug-23	07-Nov-23	Cash flow meetings is scheduled weekly
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Target Missed	31-Jan-24		The Municipality is in the process of establishing a budget steering committee
	Liabilities	Clearing and dealing with old grants on grant register	Not Due	31-Mar-24		The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system. The financial system will be aligned to the grant register. All historical grants will be reported on as historical expenditure might be off-set against these expense conditions.
	Liabilities	Improved grant & retention management - address PMU inefficiencies and administrative responsibilities clarified	Achieved	31-Aug-23	31-Aug-23	The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Missed	31-Jul-23		The Technical department is in the process of implementing a system in which they will address water losses.
	Water & Electricity Losses	Pre-Paid water meters first Indigent households as policy dictate - linked to verification project	Target Missed	31-Jan-24		The Municipality is in the process of embarking on a internal meter audit verification process, by establishing a multi-departmental team to verify meter data of all meters within the Municipality. Through this process all water & electricity meters will be audited and replaced if found to be faulty.
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Target Missed	31-Dec-23		The Municipality has started exploring this through the technical department.
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target Missed	31-Jul-23		Fleet management is challenging in the Municipality due to the lack of vehicle management.
	Asset Management	Develop a R&M plan / strategy	Not Due	31-Mar-24		
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Target Missed	31-Oct-23		The organogram is still in development phase

Section 13 – SCM Deviations

VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES					
NOMMER	DATUM	DEPARTEMENT	VERSKAFFER	BEDRAG	REDE
8/1/4/R	08/12/2023	COUNCIL	FTMG CORPORATE ADVISORY SERVICES	R 411 750,00	COUNCIL AND MPAC HAVE TASKED THE ACTING MUNICIPAL MANAGER TO INVESTIGATE SEVERAL ISSUES OF CONCERNED AS A MATTER OF URGENCY. SINCE 2017 TO 2020 LITTLE HAS BEEN DONE TO EXECUTE RULINGS MADE BY MPAC TO COLLECT FRUITLESS AND WASTEFUL OF IRREGULAR EXPENSES AND LOSSES.
8/1/4/R	19/12/2023	TECHNICAL SERVICES	DEKLIN	R 66 477,60	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLESM WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE WATER DELIVERY TO RURAL AREAS WITHIN THE KANNALAND MUNICIPALITY, LADISMITH, CALITZDORP AND ZOAR
8/1/4/R	12/01/2024	ADMINISTRATION	TELKOM SA	R 38 588,26	THE ORIGINAL AGREEMENT WITH THE SERVICE PROVIDER TO PROVIDE TELECOMMUNICATION SERVICES HAS LAPSED AND THUIS RESULTED IN THE MUNICIPALITY HAVING TO START THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A LONG-TERM BASIS.
8/1/4/R	12/01/2024	ADMINISTRATION	KONICA MINOLTA	R 46 005,49	THE AGREEMENTS WITH THE SERVICES PROVIDERS TO PROVIDE, INSTALL AND MAINTAIN THE CURRENT MEDIUM VOLUME MULTIFUNCTION COPIERS AT THE MUNICIPALITY ON A RENTAL BASIS HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY STARTING THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A 36 MONTHS CONTRACT.
8/1/4/R	12/01/2024	ADMINISTRATION	VALLEY CONTAINERS	R 10 522,50	THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICE PROVIDER UP UNTIL A PROCUREMENT AND TENDER PROCESS FOR A MORE PERMANENT SERVICE PROVIDER HAS BEEN FINALIZED. THE AIM OF THIS PROJECT IS TO PROVIDER CONTAINERS FOR STORAGE AND OFFICE IN VARIOUS AREAS WITHIN THE KANNALAND MUNICIPALITY.
8/1/4/R	12/01/2024	ADMINISTRATION	BIDVEST STEINERS	R 12 826,78	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE THESE SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THESE SERVICES ON A MONTH TO MONTH BASIS. THE NEED FOR EXTERNAL SPECIFIED CLEANSING SERVICES/PRODUCTS ARE A CHALLENGE IN KANNALAND MUNICIPALITY AS WE HAVE LIMITED SOURCES.
8/1/4/R	12/01/2024	TECHNICAL SERVICES	DEKLIN	R 80 511,00	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLESM WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE WATER DELIVERY TO RURAL AREAS WITHIN THE KANNALAND MUNICIPALITY, LADISMITH, CALITZDORP AND ZOAR
8/1/4/R	16/01/2024	COUNCIL	RAMOT	R 99 000,00	REHABILITATION SERVICES IS NOT A CORE FUNCTION OF THE MUNUPALITY AND THUS HAVE TO BE OUTSOURCED TO AN EXTERNAL SERVICE PROVIDER. THE MUNICIPALITY HAS PREVIOUSLY MADE USE OF THE SERVICES OF RAMOT TREATMENT CENTRE FOR ADDICTION WITH NUMEROUS SUCCESS STORIES AND WOULD LIKE TO MAKE USE OF THEIR SERVICES AGAIN.
8/1/4/R	23/01/2024	TECHNICAL SERVICES	VALSTA'S SPECIALIZED CLEANING	R 71 800,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS CURRENTLY NOT OPERATIONAL DUE TO THE PUMP THAT HAS BROKEN AND REMOVED FOR REPAIRS. THE REPAIR TIME IS UNKNOWN AT THIS STAGE. THE MUNICIPALITY IS CURRENTLY SEVICING SEPTIC TANKS ALL OVER KANNALAND TO AVOID THE SEWERAGE TO OVERFLOW AND CREATE ENVIRONMENTAL SPILL WE URGENTLY NEED TO RENT A SEWERAGE TRUCK FOR 7DAYS TO RENDER THIS ESSENTIAL SERVIC TO THE COMMUNITY.
8/1/4/R	26/01/2024	ADMINISTRATION	BLYTH AND COETZEE	R 19 716,00	THE ORIGINAL AGREEMENT WITH THE SUPPLIER TO RENT THIS BUILDING EXPIRED AND IT THEREFORE RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THIS SUPPLIER ON A MONTH TO MONTH BASIS. KANNALAND MUNICIPALITY HAS A CHALLENGE WITH OFFICE SPACE, THE TECHNICAL DEPARTMENT CURRENTLY OCCUPIES THE BUILDING. THE BUIDING IS SITUATED WITH A 200M RADIUS FROM MAIN MUNICIPALITY BUILDING.
				R 857 197,63	

Section 14- Progress on Municipal Debt Relief

- Municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A (signed by the Municipal Manager / (Acting); Attached as Annexure A
- Supporting information substantiating its compliance with conditions 6.1 – 6.14 in MFMA Circular No. 124.



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

KANNALAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
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LADISMITH
6655

WESTERN REGION
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CUSTOMER SELF SERVICE WEBSITE:
<https://csonline.eskom.co.za>

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL

BANK: ABISA
BRANCH CODE: 334110
BANK ACC NO: 340167430

YOUR ACCOUNT NO	7052108005
SECURITY HELD	0.01
BILLING DATE	2024-01-08
TAX INVOICE NO	705774354763
ACCOUNT MONTH	JANUARY 2024
CURRENT DUE DATE	2024-02-07
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

FIXED CHARGE	R	25,465.00
ADMINISTRATION CHARGE	R	4,987.28
TRANSMISSION NETWORK CAPACITY	R	142,400.00
DIST. NETWORK CAPACITY CHARGE	R	102,500.00
NETWORK DEMAND CHARGE	R	96,510.95
URBAN LOW VOLTAGE SUBSIDY	R	251,000.00
ANCILLARY SERVICE (ALL)	R	16,894.22
ENERGY CHARGE (STD)	873,815.00	R 1,083,530.60
ENERGY CHARGE (PEAK)	379,462.00	R 683,790.52
ENERGY CHARGE (OFF)	1,345,835.00	R 1,058,633.81
ELECTRIFICATION AND RURAL SUBS (ALL)		R 361,276.43
SERVICE CHARGE		R 11,064.52

TOTAL CHARGES FOR BILLING PERIOD R 3,838,053.33

ACCOUNT SUMMARY FOR JANUARY 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-01-06)	R	35,695,391.68
PAYMENT(S) RECEIVED	Cash - 2023-12-07	R	-297,245.03
PAYMENT(S) RECEIVED	Cash - 2023-12-11	R	-4,162,166.41
TOTAL CHARGES FOR BILLING PERIOD		R	3,838,053.33
ADJUSTMENT	BALANCE TRANSFER - to/from account 7052108005	R	-29,284.75
ADJUSTMENT	Reversal of interest charged	R	-661,283.95
ADJUSTMENT	BALANCE TRANSFER - to/from account 7052108005	R	29,284.75
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	575,708.00

ARREARS					CURRENT	TOTAL DUE R
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS			
22,044,937.2	4,459,411.44	4,041,062.86	0.00	4,443,046.08		34,988,457.62

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 262
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

7052108005

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

0866160914

0934 7052108005



TOTAL AMOUNT DUE

34,988,457.60

PAYMENT ARRANGEMENT

INSTALMENT

0.00

ARREARS (Due immediately)

30,545,411.54

DUE DATE (For Current Amount)

2024-02-07

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

KANNALAND LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
P O BOX 30
LADISMITH
6655

WESTERN REGION
PO BOX 377 BELVILLE 7535

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37568
SMS:

CUSTOMER SELF SERVICE WEBSITE:
<https://csonline.eskom.co.za>

WESTERN REGION
PO BOX 377 BELVILLE 7535

DIRECT DEPOSIT DETAIL

BANK: ABSA
BRANCH CODE: 334118
BANK ACC NO: 340167430

YOUR ACCOUNT NO	6940893537
SECURITY HELD	0.01
BILLING DATE	2024-01-08
TAX INVOICE NO	694883650109
ACCOUNT MONTH	JANUARY 2024
CURRENT DUE DATE	2024-02-07
VAT REG NO	4540197268

TAX INVOICE

E-MAIL: krediteure@kannaland.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	4,987.28
DIST. NETWORK CAPACITY CHARGE	R	76,512.80
NETWORK DEMAND CHARGE (CKWH)	R	40,394.98
ANCILLARY SERVICE (ALL)	R	4,524.03
ENERGY CHARGE (PEAK)	93,358.00	R 173,701.89
ENERGY CHARGE (STD)	238,021.00	R 304,809.69
ENERGY CHARGE (OFF)	305,810.00	R 248,348.30
ELECTRIFICATION AND RURAL SUBS (ALL)	R	88,569.13
SERVICE CHARGE	R	11,064.52

TOTAL CHARGES FOR BILLING PERIOD R **952,912.62**

ACCOUNT SUMMARY FOR JANUARY 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-01-11)	R	9,288,587.48
TOTAL CHARGES FOR BILLING PERIOD		R	952,912.62
ADJUSTMENT	Reversal of interest charged	R	-216,670.29
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	142,936.90


ACCOUNT NO / REFERENCE NO

6940893537

NAME

KANNALAND LOCAL MUNICIPALITY

FAX NUMBER

 **0934 6940893537**

11341 6940893537



>>>>>> 9207 2694 0893 5379



TOTAL AMOUNT DUE

10,167,766.70

ARREARS					TOTAL DUE R	10,167,766.71
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT		
7,180,897.37	936,285.92	0.00	954,733.90	1,095,849.52		

Account OVERDUE - Subject to Disconnection



PAGE RUN NO	EE 246
BILL GROUP	
BILL PAGE	1 OF 2

PAYMENT ARRANGEMENT

INSTALMENT

0.00

ARREARS (Due Immediately)

9,071,917.19

DUE DATE (For Current Amount)

2024-02-07

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024038010
Sub Module	SSVS	Action date	20240207
Description	LJT64 20240207 15:59:55.5		
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	1		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	7052108005		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	4,443,046.08		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

Standard Bank of South Africa

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The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000738/06

CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024038010
Sub Module	SSVS	Action date	20240207
Description	LJT64 20240207 15:59:55.5		
Finalreleasingoperators	GAV53 M SCHEFFERS		RVX68 CM CLAASEN (A)
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	2		
Acc No / CDI	55161636814		
Branch No	200910		
Statement Ref	6940893537		
Account Name	ESKOM HOLDINGS WC REGION		
Creditor Code	ESKOM NEW		
Amount	1,095,849.52		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

Calitzdorp Besproeiingsraad

Posbus/P O Box 197, Calitzdorp, 6660
Tel: 044 213 3802 / 084 589 7776 Email: calitzdorpwater@telkomsa.net
BTW/VAT Reg: 4260157971

BELASTINGFAKTUUR

Munisipale Bestuurder
Kannaland Munisipaliteit
Posbus 30
LADISMITH
6655

Faktuur Nr: 309
Datum: 05 January 2024

BTW Nr 4540197268

MUNISIPALE WATERVERBRUIK – CALITZDORP: December 2023

Sub Oorverbruik

Maand	Dec-23		
Meterlesing einde	Nov-23		7205960
Meterlesing begin	Nov-23		7128540
Ontrek	kl		77510
Dae @ 455 kl per dag toelaag	31		14105
Sub Oorverbruik 63405 - 32238 = 31167	kl		31167
Min beurt teruggegee	kl		0
Oorverbruik	kl		31167
0-26000 kl tarief @ 1.10	26000	R	28 600.00
26000-36000kl @ 2.21kl	5167	R	11 419.07
46000 - 56000 kl tarief	0	R	-
56 000 en meer tarief	0	R	-
Sub Oorverbruik		R	40 019.07
Plus 15% BTW		R	6 002.86
Totaal verskuldig		R	46 021.93

Glyskaal met ingang 2023

Dae		31
Toegelaat per dag - kl		455
0 - 26000 kl tarief	R	1.10
26000 - 36000 kl tarief	R	2.21
36000 - 46000 kl tarief	R	3.69
46000 - 56000 kl tarief	R	7.37
56 000 kl en meer tarief	R	14.74

Beurt teruggegee formule

1 cusec = 101.96 m3		101.96
Stroomsterkte cusec/uur		6.18
Ure teruggegee		0
Kl = Ure teruggegee x 101.96m3 x stroomsterkte	kl	0

Bankbesonderhede:

Naam: Calitzdorp Besproeiingsraad
Bank: Standard Bank
Tak: Calitzdorp 050014
Rek Nr: 280110022

Terme:

1. Betaalbaar binne dertig (30) dae vanaf datum van rekening.
2. Betalings mag nie weerhou word totdat 'n geskil besleg is nie.
3. Rente teen 16% word gehef op rekeninge ouer as 30 dae.
4. Versuim om huidige faktuur binne dertig dae vanaf datum van faktuur te betaal sal meebring dat watervoorsiening 2 dae na sperdatum outomaties verminder word tot slegs die toegelate gratis 455kl water per dag tot volle vereffening van faktuur.

Standard Bank of South Africa

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CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	420543546	User Name	KANNALAND MUNICIPALITY
User ID	OCK31	Reference	2024039002
Sub Module	SSVS	Action date	20240208
Description	LJT64 20240208 14:03:31.3		
Finalreleasingoperators	RVX68 CM CLAASEN (A)		GAV53 M SCHEFFERS
Sub-batch	001	From Account no	0000420543546
		From Account Name	KANNALAND MUNICIPALITY (MAIN)
Trans No	2		
Acc No / CDI	280110022		
Branch No	50014		
Statement Ref	KANNALAND MUN		
Account Name	CALITZDORP BESPROEINGSRAAD		
Creditor Code	C2		
Amount	48,021.93		
StatusDescription	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

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CURRENT ACCOUNT - STATEMENT DETAILS

Account	0000420543546	KANNALAND MUNICIPALITY	Statement For	20240207	VAT Registration	4540197268
Branch	000113	LADISMITH CAPE	Statement No	306		

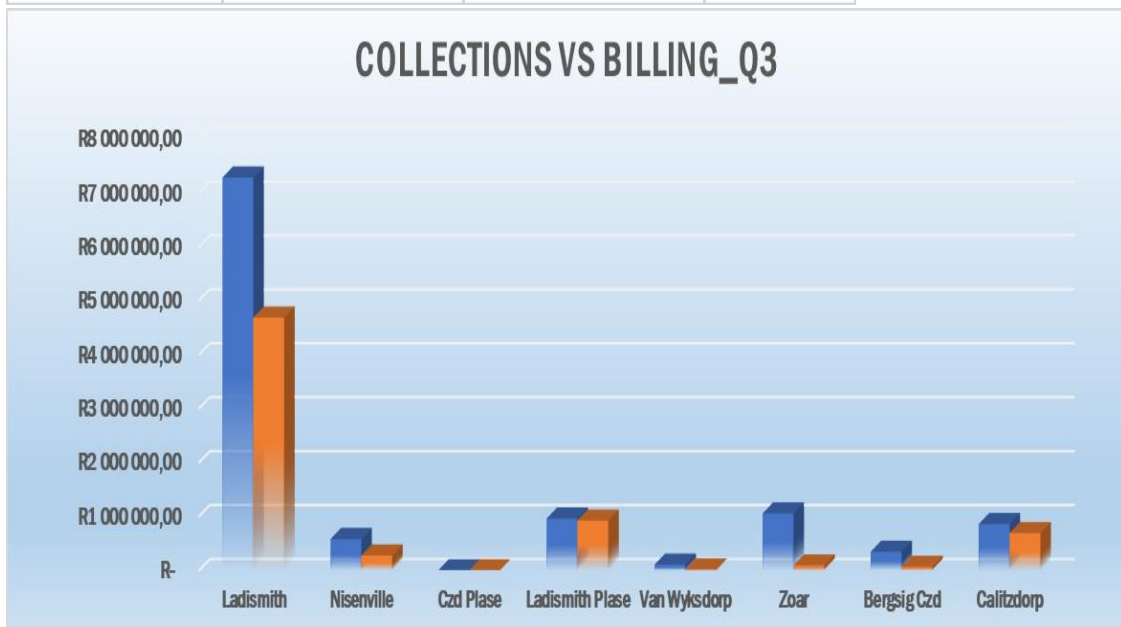
Page	Details	Service Fee	Debit	Credit	Date	Balance
1	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240206	505,827.90
1	FEE: CASH DEPOSIT - COINS ## 420543546 R2341,40 06/02	0.00	-0.01	0.00	20240206	505,827.89
1	FEE: CASH DEPOSIT - COINS ## 420543546 R614,40 06/02	0.00	-0.02	0.00	20240206	505,827.87
1	FEE: CASH DEPOSIT - COINS ## 420543546 R6404,50 06/02	0.00	-0.02	0.00	20240206	505,827.85
1	FEE: CASH DEPOSIT - COINS ## 420543546 R744,80 06/02	0.00	-0.02	0.00	20240206	505,827.83
1	FEE: CASH DEPOSIT - COINS ## 420543546 R17985,80 06/02	0.00	-0.03	0.00	20240206	505,827.80
1	FEE: CASH DEPOSIT - COINS ## 420543546 R516,00 06/02	0.00	-0.03	0.00	20240206	505,827.77
1	FEE: CASH DEPOSIT - COINS ## 420543546 R8439,10 06/02	0.00	-0.05	0.00	20240206	505,827.72
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R516,00 06/02	0.00	-2.57	0.00	20240206	505,825.15
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R614,40 06/02	0.00	-3.07	0.00	20240206	505,822.08
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R744,80 06/02	0.00	-3.72	0.00	20240206	505,818.36
1	FEE: CASH DEPOSIT - COINS ## 420543546 R13314,10 06/02	0.00	-7.06	0.00	20240206	505,811.30
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R2341,40 06/02	0.00	-11.77	0.00	20240206	505,799.53
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R6404,50 06/02	0.00	-32.19	0.00	20240206	505,767.34
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R8439,10 06/02	0.00	-42.40	0.00	20240206	505,724.94
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R13314,10 06/02	0.00	-59.91	0.00	20240206	505,665.03
1	FEE: CASH DEPOSIT - NOTES ## 420543546 R17985,80 06/02	0.00	-90.44	0.00	20240206	505,574.59
1	CREDIT TRANSFER ABSA BANK KANNA1007390024	0.00	0.00	7,774.09	20240207	513,348.68
1	MAGTAPE CREDIT ROSENHOF 1003620013	0.00	0.00	1,488.50	20240207	514,837.18
1	MAGTAPE CREDIT ROSENHOF 1013910009	0.00	0.00	743.00	20240207	515,580.18
2	BALANCE BROUGHT FORWARD	0.00	0.00	0.00	20240207	515,580.18
2	MAGTAPE CREDIT ROSENHOF 1014360005	0.00	0.00	9,097.40	20240207	524,677.58
2	IB PAYMENT FROM 3602291162	0.00	0.00	240.00	20240207	524,917.58
2	ELECTRONIC BANKING TRANSFER FR TRF TO MAIN	0.00	0.00	300,000.00	20240207	824,917.58
2	ELECTRONIC BANKING TRANSFER FR DEP TO MAIN	0.00	0.00	500,000.00	20240207	1,324,917.58
2	ELECTRONIC BANKING TRANSFER FR OWN TO MAIN	0.00	0.00	700,000.00	20240207	2,024,917.58
2	ELECTRONIC BANKING TRANSFER FR TRF OWN TO MAIN	0.00	0.00	800,000.00	20240207	2,824,917.58
2	ELECTRONIC BANKING TRANSFER FR OWN TO MAIN	0.00	0.00	4,240,465.50	20240207	7,065,383.08
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5312:06	0.00	-5,112.00	0.00	20240207	7,060,271.08
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5312:06	0.00	-6,768.00	0.00	20240207	7,053,503.08
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5312:06	0.00	-42,969.61	0.00	20240207	7,010,533.47
2	ELECTRONIC BANKING PAYMENT TO D64 DEPARTEMENT V GAV5312:06	0.00	-57,019.53	0.00	20240207	6,953,513.94
2	ELECTRONIC BANKING PAYMENT TO ESKOM ESKOM HOLDING GAV5316:01	0.00	-1,095,849.52	0.00	20240207	5,857,664.42
2	ELECTRONIC BANKING PAYMENT TO SARS E-FILING GAV53 15:43	0.00	-1,266,597.87	0.00	20240207	4,591,066.55
2	ELECTRONIC BANKING PAYMENT TO	0.00	-4,443,046.08	0.00	20240207	148,020.47

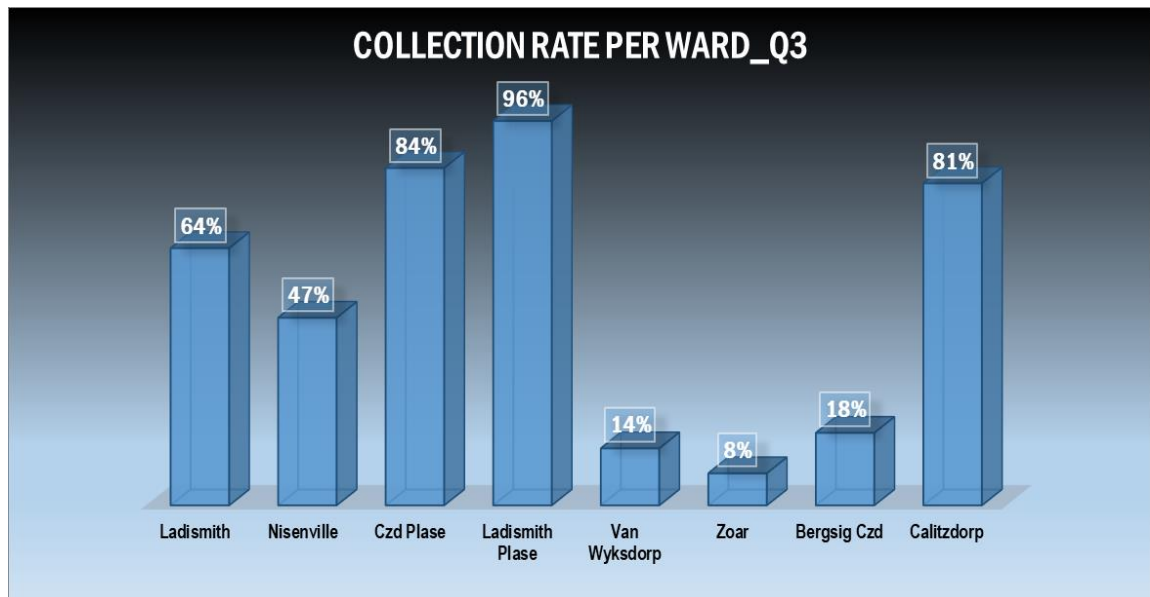
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Page : 1

- The monthly MFMA s.71 narratives must explicitly reflect the municipality's progress towards restricting free basic services (condition 6.6) and achieving a minimum average quarterly collection of 80 per cent (condition 6.7);
- We are not at the end of a quarter; the collection rate is below the norm and the reason of under collecting in terms of the municipality is that Kannaland municipality is experiencing challenges in collecting its debtors due to a poor economic environment. The community members are encouraged to register as indigent households to prevent the debtors from growing month on month, but unfortunately the response is not positive. Further to this Kannaland can only enforce the restriction of electricity supply in 2 of the towns as these are the only towns receiving electricity from the municipality. The other areas are in the Eskom supply area. Kannaland will also have to appoint a service provider to perform summonses to collect long outstanding debtors.

	Billing	Collections	
Ladismith	R 7 277 519,01	R 4 681 742,44	64%
Nisenville	R 576 146,92	R 270 356,09	47%
Czd Plase	R 1 469,22	R 1 239,81	84%
Ladismith Plase	R 954 233,56	R 917 435,24	96%
Van Wyksdorp	R 100 783,42	R 14 372,82	14%
Zoar	R 1 050 379,10	R 84 187,95	8%
Bergsig Czd	R 339 236,05	R 61 510,91	18%
Calitzdorp	R 852 011,00	R 686 393,28	81%
	R 11 151 778,28	R 6 717 238,54	60,2%





- If the municipality has a budget funding plan, the MFMA s.71 monthly statement must include progress against the budget funding plan as part of the narrative component required for the MFMA s.71 statement as well as demonstrate progress (as per mSCOA data string) against the budget funding plan.
- If the municipality has a Financial Recovery Plan, such must monthly be submitted to the Provincial Executive and NT: MFRS.

The Municipality does not have a Financial Recovery Plan.

- The monthly MFMA s.71 statement to track the municipality's progress against the planned corrective action to address any variances evident from the property rates reconciliation.

Property Rates Reconciliation	
Province	WC
District	Garden Route District
Type	LM
Municipal Name	Kannaland Municipality
By Period	01/07/2021 - 30/06/2024
Financial Year	2023/2024
Reconciliation Period	Quarter 3

Reconciliation Overview

High Level Reconciliation

Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	4435	4435	0	786,614,000.00	786,387,000.00	227,000.00
Industrial	21	21	0	54,309,000.00	54,309,000.00	-
Business and Commercial	188	190	-2	136,987,000.00	137,637,000.00	650,000.00
Agricultural	3006	3008	-2	1,699,368,000.00	1,700,233,956.00	865,956.00
Mining	0	0	0	-	-	-
State Owned for Public Purpose	55	55	0	132,924,000.00	132,924,000.00	-
PSI	158	159	-1	3,838,000.00	3,858,000.00	20,000.00
PBO	7	6	1	11,377,000.00	10,510,000.00	867,000.00
Multi Use	0	0	0	-	-	-
Vacant	302	299	3	8,513,000.00	7,737,000.00	776,000.00
POW	56	56	0	48,060,000.00	47,860,000.00	200,000.00
Municipal	1211	1213	-2	104,776,000.00	107,078,000.00	2,302,000.00
Other	63	63	0	75,522,000.00	75,522,000.00	-
	9502	9505	-3	3,062,286,000.00	3,064,055,956.00	1,767,956.00

Detailed Reconciliation

Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	945,711	849,175	96,536	945,711.00	849,174.63	96,536.38
Industrial	176,504	176,504	-	176,504.25	176,504.25	-
Business and Commercial	445,206	447,320	2,113	445,207.75	447,320.25	2,112.50
Agricultural	410,681	411,280	600	410,680.60	411,280.50	599.90
Mining	-	-	-	-	-	-
State Owned for Public Purpose	432,003	432,003	-	432,003.00	432,003.00	-
PSI	-	-	-	-	-	-
PBO	3,698	3,416	282	3,697.53	3,415.75	281.78
Multi Use	-	-	-	-	-	-
Vacant	13,834	12,573	1,261	13,833.63	12,572.63	1,261.00
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R2,427,637.75	R2,332,271.00	R95,366.75	2,427,637.75	2,332,271.00	95,366.75

Prepared By



Date

14/02/24

Contact Details

Signature



Reviewed By

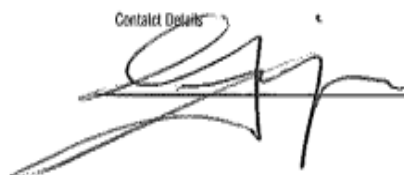
1/ve GRAN

Date

14/02/2024

Contact Details

Signature



SECTION 15 – QUALITY CERTIFICATION

I, Dillo Sereo, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **January 2024**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Dillo Sereo

Signature:

Date:



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

Posbus 30 P.O. Box
LADISMITH
6655

info@kannaland.co.za
Tel : (028) 551 1023
Fax : (028) 551 1766

Kerkstr. 31 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, Dillo Sereo Acting Accounting Officer of **Kannaland Municipality WC041**,
(name of municipality), hereby certify that –

(mark as appropriate)

- ☒ The monthly budget statement
- ☐ Quality report on the implementation of the budget and financial
state affairs of the municipality
- ☐ Mid- year budget and performance assessment

For the month of **January 2024** (month/year) has been prepared in accordance
with the Municipal Finance Management Act and regulations made under the
Act.

Print name: Dillo Sereo

Acting Municipal Manager of **Kannaland Municipality WC041**

Signature

Date :12 February 2024